

STAND. COM. REP. NO.

98

Honolulu, Hawaii

FEB 09 2007

RE: S.B. No. 952
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Health, to which was referred S.B. No. 952
entitled:

"A BILL FOR AN ACT RELATING TO KAHUKU HOSPITAL,"

begs leave to report as follows:

The purpose of this measure is to enable Kahuku Hospital to
remain in operation and continue to serve the residents and
visitors of the north shore of Oahu.

The measure accomplishes this purpose by authorizing the
Hawaii Health Systems Corporation to acquire Kahuku Hospital.
This acquisition will enable the hospital to remain in operation,
and retain its certificate of need and critical access hospital
designation.

Your Committee received testimony in support of this measure
from the Department of Health, Hawaii Health Systems Corporation,
Kahuku Hospital, the Kahuku Hospital Laboratory, Healthcare
Association of Hawaii, Brigham Young University Hawaii, the
Polynesian Cultural Center, Hawaii Reserves, Inc., Ko'olauloa
Community Health and Wellness Center, Inc., Na Lei Lokahi- The
Salvation Army Family Treatment Services, United Public Workers,
Queen Lili'uokalani Children's Center, the Laie Community
Association, and two hundred forty-two individuals and residents
of the Kahuku community. Your Committee received testimony from
the State Procurement Office that was limited to opposing the
proposed provision that would exempt Kahuku Hospital from the



procurement requirements of Chapters 103D and 103F, Hawaii Revised Statutes.

Your Committee finds that Kahuku Hospital is in jeopardy of closing its doors as of June 30, 2007, if it cannot be acquired by Hawaii Health Systems Corporation as part of its Chapter 11 bankruptcy reorganization proceeding. Your Committee further finds that Kahuku Hospital is the only facility in the community offering emergency services and therefore, it is imperative to keep the hospital operating in order to serve the residents and visitors of the north shore of Oahu.

It is the intent of your Committee that this measure gives authorization and support for Hawaii Health Systems Corporation to acquire Kahuku Hospital and in no way mandates Hawaii Health Systems Corporation to acquire Kahuku Hospital.

If a voluntary acquisition takes place, your Committee intends for the transition to be based on sound management principles, basic community needs, and not to jeopardize the present support of other hospitals in the Hawaii Health Systems Corporation system. In addition, the Department of Health estimates that this acquisition will generate approximately \$3.9 million in transition costs; \$1 million for Hawaii Health Systems Corporation and \$2.9 million for Kahuku Hospital.

Further, it is the intent of your Committee to ensure the continuation of Kahuku Hospital's emergency services while encouraging the development of an alternative model of health care that utilizes federal funding and works in conjunction with community health centers.

Your Committee adopted the recommendations of the State Procurement Office and amended this measure by deleting the language exempting Kahuku Hospital from the procurement requirements of Chapters 103D and 103F, Hawaii Revised Statutes. Your Committee further amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 952, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as S.B. No. 952, S.D. 1, and
be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health,




DAVID Y. IGE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 952	Committee Referral: HTH, WAM	Date: 2/2/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
FUKUNAGA, Carol (VC)	✓			
BAKER, Rosalyn H.		✓		
MENOR, Ron	✓			
WHALEN, Paul				✓
TOTAL	3	1		1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes